



Patrick W. Henning, Director

July 20, 2009
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Arnold Schwarzenegger
Governor

Ms. Sandra Harmsen, Director
San Bernardino County
Workforce Development Department
215 North D Street, Suite 301
San Bernardino, CA 92415

Dear Ms. Harmsen:

WORKFORCE INVESTMENT ACT
85-PERCENT PROGRAM REVIEW
FINAL MONITORING REPORT
PROGRAM YEAR 2008-09

This is to inform you of the results of our review for Program Year (PY) 2008-09 of the San Bernardino County Workforce Development Department's (WDD) Workforce Investment Act (WIA) 85-Percent program operations. We focused this review on the following areas: Workforce Investment Board and Youth Council composition, local program monitoring of subrecipients, management information system/reporting, incident reporting, nondiscrimination and equal opportunity, grievance and complaint system, and Youth program operations including WIA activities, participant eligibility, and Youth services.

This review was conducted by Mr. Dave Ajirogi from January 26, 2009 through January 30, 2009.

Our review was conducted under the authority of Sections 667.400 (a) and (c) and 667.410 of Title 20 of the Code of Federal Regulations (20 CFR). The purpose of this review was to determine the level of compliance by WDD with applicable federal and state laws, regulations, policies, and directives related to the WIA grant regarding program operations for PY 2008-09.

We collected the information for this report through interviews with WDD representatives, service provider staff, and WIA participants. In addition, this report includes the results of our review of selected case files, WDD's response to Section I and II of the Program On-Site Monitoring Guide, and a review of applicable policies and procedures for PY 2008-09.

We received your response to our draft report on April 3, 2009 and reviewed your comments and documentation before finalizing this report. Your response did adequately address the finding in the draft report. However, this issue will remain open until we receive documentation that its WIB contain the required labor representation. Until then, this finding is assigned Corrective Action Tracking System (CATS) number 90119.

BACKGROUND

The WDD was awarded WIA funds to administer a comprehensive workforce investment system by way of streamlining services through the One-Stop delivery system. For PY 2008-09, WDD was allocated: \$4,004,218 to serve 1,210 adult participants; \$4,084,816 to serve 511 youth participants; and \$3,892,346 to serve 971 dislocated worker participants.

For the quarter ending September 30, 2008, WDD reported the following expenditures for its WIA programs: \$1,887,628 for adult participants; \$1,191,092 for youth participants; and \$2,022,079 for dislocated worker participants. In addition, WDD reported the following enrollments: 351 adult participants; 201 youth participants; and 385 dislocated worker participants. We reviewed case files for 34 of the 487 participants enrolled in the WIA program as of January 26, 2009.

PROGRAM REVIEW RESULTS

While we conclude that, overall, WDD is meeting applicable WIA requirements concerning grant program administration; we noted an instance of noncompliance in the area of Workforce Investment Board (WIB) composition. The finding that we identified in this area, our recommendation, and WDD's proposed resolution of the finding is specified below.

FINDING 1

Requirement: WIA Section 117(b)(2)(A) states, in part, that the composition of the local (WIB) shall include representative of local labor organizations.

20 CFR 661.315(a) states that the local WIB must contain two or more members representing the categories described in WIA Section 117(b)(2)(A)(iii).

Workforce Investment Act Directive (WIAD) 06-21 states, in part that at least 15 percent of local WIB members shall be representatives of labor organizations.

Observation: We found that the local WIB has a total of 32 members, but it has not appointed adequate labor representatives to ensure that labor union representation equals 15 percent of the WIB membership. Presently, the WIB has two labor representatives, and three more are needed to meet the 15 percent requirement. While WDD provided correspondence to demonstrate its efforts to appoint the required union representatives, the vacancies have existed since the release of WIAD06-21 on June 9, 2007.

Recommendation: We recommended that WDD provide the Compliance Review Office (CRO) with a corrective action plan (CAP), including a timeline, showing the steps it will take to fill the required labor vacancies. Once filled, we recommended that WDD provide CRO with a copy of an updated WIB minutes and new roster.

WDD Response: The WDD LWIA stated that the San Bernardino County Board of Supervisors (BOS) appoints WIB members. WDD and BOS are meeting to appoint the missing labor representatives by the end of April.

Subsequent to WDD's April 3, 2009 response WDD appointed one labor representative to their WIB. However, WDD still needs two more labor representatives to meet the 15 percent labor representation. WDD stated they have two nominees to bring to the WIB for approval in June 2009.

State Conclusion: The WDD's stated corrective action should be sufficient to resolve this issue. However, we cannot close this issue until we verify the WDD's successful implementation of its stated corrective action. Until then, this issue remains open and has been assigned CATS number 90119.

We provide you up to 20 working days after receipt of this report to submit your response to the Compliance Review Office. Because we faxed a copy of this report to your office on the date indicated above, we request your response no later than August 17, 2009. Please submit your response to the following address:

Compliance Monitoring Section
Compliance Review Office
722 Capitol Mall, MIC 22M
P.O. Box 826880
Sacramento, CA 94280-0001

In addition to mailing your response, you may also FAX it to the Compliance Monitoring Section at (916) 654-6096.

Ms. Sandra Harmsen

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Because the methodology for our monitoring review included sample testing, this report is not a comprehensive assessment of all of the areas included in our review. It is WDD's responsibility to ensure that its systems, programs, and related activities comply with the WIA grant program, Federal and State regulations, and applicable State directives. Therefore, any deficiencies identified in subsequent reviews, such as an audit, would remain WDD's responsibility.

Please extend our appreciation to your staff for their cooperation and assistance during our review. If you have any questions regarding this report or the review that was conducted, please contact Ms. Mechelle Hayes at (916) 654-7005 or Mr. Dave Ajirogi at (916) 657-4591.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessie Mar", written in a cursive style.

JESSIE MAR, Chief
Compliance Monitoring Section
Compliance Review Office

cc: Steven Amezcua, MIC 50
Jose Luis Marquez, MIC 50
Daniel Patterson, MIC 45
Georganne Pintar, MIC 50